

## **E. Financials**

### **Tuition-in Students**

Tuition-in students are nonresident students who are provided special education in a local district. These students may be tuitioned into a district for a number of reasons. One reason may be that the resident district does not have an appropriate program to meet the student's special education needs. Other reasons include special education students who are open-enrolled into the district, living in foster care, placed by a district court or coming from a whole grade sharing partner district.

The AEAs provide each district with a listing of special education students that are being served in their district. This is done after the September and December counts are finalized. This listing includes the students who are being tuitioned into a district. The list would not include students that were tuitioned in after the September or December headcounts or were served in the district between the headcounts (e.g. a student who tuitioned into the district 9/20 and left the district 11/15.) Monitor all tuition-in students and the number of days they were enrolled in your district.

A contract or agreement must be in place with each district that has students in one of your special education programs (a sample agreement follows.)

The special education billing for a tuition-in student is sent to the resident district. The last district to serve the student might not be the resident district; therefore, it is very important that you work closely with the agencies that can help you track down the student's resident district. In the case of Foster Care the billing is sent to the district of residence of the custodial parent. If no district of residence can be determined and the child is not found on the December count of the previous year the district will submit a claim to the state of Iowa for reimbursement. If parental rights have been severed the district will submit a claim to the state of Iowa for reimbursement. A model of special education billing is provided in the financials section of this manual.

Both the receiving district and the sending district must have the following items in each student's folder: 1) Contract for special education services; 2) Current IEP; and 3) Progress Reports.

## Tuition-out Students

Tuition-out students are resident students who are provided special education by an agency other than the resident district. This may occur for a number of reasons. It may be that the resident district does not have the appropriate special education program to meet the student's needs. Other reasons include a child living in foster care or placed in the district by the court. The student may be served in another district because of a whole grade sharing agreement or open enrolled into another district.

The AEAs provide each district with a listing of all resident special education students that are being served either in that district or by another agency. This is done after the September and December counts are finalized. This listing includes the resident students who are being tuitioned-out to another agency to receive special education services. Each district is required by the state of Iowa to have contracts and current IEPs on file for all tuition-out students. Remember the resident district is responsible for seeing that the special education needs of each resident student, whether they are served in or out of district, are met.

A contract or agreement must be in place with each district that has your resident students in one of its special education programs (a sample agreement follows.)

You will receive a special education billing for your district's tuition-out students from the district that are providing the student's special education services.

Both the sending district and the receiving district must have the following items in each student's folder: 1) Contract for special education services; 2) Current IEP; and 3) Progress Reports.

XYZ Community School District  
123 Main Street  
Anywhere, USA

Contract or Agreement for Special Education  
(current school year)

The following agreement is hereby entered into for the (current school year)

school year between the XYZ Community School District and the

\_\_\_\_\_ Community School District.

- A. The XYZ Community School District agrees as follows:

To employ properly certified and/or qualified personnel, and to provide classroom supervision, equipment, instructional materials, etc. for all special education students enrolled in a Level I, Level II, or Level III program (state the types of programs you offer if your district is not on levels.)

- B. The \_\_\_\_\_ Community School District agrees as follows:

To pay the XYZ Community School District for each pupil enrolled. The cost per pupil will be figured on the actual cost of the special education instructional program provided for the student. The actual cost of the program includes salaries, benefits, direct service, indirect service, supplies and equipment.

The XYZ Community School District will send an estimated cost by December 1, of which one-half will be payable in December. The actual cost will be calculated by the end of May and the final bill sent by the first week in June.

\_\_\_\_\_  
Superintendent or Designee  
XYZ Community School District

\_\_\_\_\_  
Superintendent or Designee  
\_\_\_\_\_ School District

\_\_\_\_\_  
Board President  
XYZ Community School District

\_\_\_\_\_  
Board President  
\_\_\_\_\_ School District

## General Education Expenditures

School districts account for total dollars generated in behalf of special education students as special education dollars. This includes the 1.0 funds; the equivalent of the amount generated by regular education students. An accounting mechanism is utilized, however, to provide for the 1.0 funds or a portion of those funds to be transferred to the regular program of the school district since the costs of regular (not specialized) transportation, operation and maintenance of the facility, administration, and integration into regular classes are costs incurred by the regular program of a school district for special education students.

The percentage of the 1.0 funds which is utilized by the regular program for special education students varies according to the type of special education program model in which the students are enrolled. This allows for the differences in cost of regular program integration and transportation provided special education students. The percentages of 1.0 funds allowed for regular program use when districts use rules-based program models are as follows:

- |  |                     |
|--|---------------------|
| 1. Supplemental Assistance (1.68, 2.35 & 3.74) | = 100% of 1.0 funds |
| 2. Resource Teaching Program (1.68)            | = 100% of 1.0 funds |
| 3. Special Class with Integration (1.68)       | = 47% of 1.0 funds  |
| 4. Self-contained Class (2.35)                 | = 32% of 1.0 funds  |
| Preschool (2.35)                               | = 32% of 1.0 funds  |
| 5. Self-contained Class (3.74)                 | = 27% of 1.0 funds  |
| Preschool (3.74)                               | = 27% of 1.0 funds  |

When one compares resource teaching programs in which students are integrated into regular class nearly all day and special class with integration programs in which students are integrated only two or three periods a day, the need for variant regular program expenditures becomes apparent.

The percentages of 1.0 funds allowed for regular program use when districts use an approved district developed delivery system are as follows:

- |         |   |
|---------|---|
| Level I | = (Percentage Calculated District by District)% of 1.0 funds  |
|         | An average percentage of the SA 1.68, RTP 1.68 and SCI 1.68 counts for five past December counts (1991-1995) is calculated jointly by the AEA Director of Special Education and each Superintendent whose district will be implementing a new delivery system. Once this percentage has been calculated it will remain in place as long as this funding mechanism is used in the state of Iowa and the district continues to use their new delivery system. Also, once a district's Level I GPE % is calculated it will apply to all 1.68 students whether they are served in a rules-established program model or by a level system. |

Level II = 32% of 1.0 funds

Level III = 27% of 1.0 funds

When one compares Level I students who are integrated into regular class nearly all day, Level II students who are integrated only two or three periods a day and Level III students who are integrated very little, the need for variant regular program expenditures becomes apparent.

# Description of the Chart of Accounts and Their Use for Special Education Fund Accounting

(Excerpt from the Uniform Financial Accounting for Iowa LEAs and AEAs, Iowa Department of Education, July 1999)

The purpose of this manual is to provide a detailed breakdown of the revenues the school district expects to receive during the school year, and a breakdown of how these funds will be spent for special education programs.

The basic tool for relating the above information is the budget code. There are codes for revenues as well as expenditures. Their basic components are as follows:

## REVENUES

### DIMENSIONS

**FUND** - An independent fiscal and accounting Entity relating expenditures, revenues, assets, liabilities and balances which are segregated for the purpose of carrying on specific activities in accordance with special regulations or restrictions. Examples include General, PPEL, Capital Projects.

**SOURCE** - This dimension permits segregation of Revenues and other sources by source or purpose of revenues and receipts. The primary classification differentiates local, intermediate, State and Federal revenue sources.

### FUND

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### SOURCE

\*\*\*\*



## EXPENDITURES

<u>DIMENSIONS</u>	<u>FUND</u> **	<u>FAC</u> ***	<u>FUNC</u> ****	<u>PROG</u> ***	<u>PROJ</u> ****	<u>OBJ</u> ***
FUND - An independent fiscal and accounting entity relating expenditures, revenues, assets, liabilities and balances which are segregated for the purpose of carrying on specific activities in accordance with special regulations or restrictions. Examples include General, PPEL, Capital Projects.						
FACILITY - Provides separation of expenditures by major educational level, school and building. Examples are District-Wide, High School, Middle School, Elementaries						
FUNCTION - The activity for which a service or material object is acquired. Functions are classified into five broad areas: Instruction, Support Services, Operation of Non-instructional Services, Facilities Acquisition and Construction Services, and Other Uses.						
PROGRAM - A plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. This dimension provides the framework for classifying expenditures by program to determine cost.						
PROJECT – An accumulation of revenues, expenditures and balances to meet a variety of specialized reporting requirements at the local, state, and federal levels. Examples are coaching assignments, remodeling or construction projects, state or Federal grants.						
OBJECT - Relates to the service or commodity purchased. Examples are salaries, benefits , purchased services, foods, supplies, interest, transfers to other funds.						

Special education revenue and expense budget codes have the following general organization. The configurations listed below can be used in various configurations to effectively relate the nature of transactions, which take place in any school district in the State of Iowa.

A. Revenue Codes-Generic Configuration:

<u>Fund</u>	<u>Facility</u>	<u>Source</u>	<u>Program</u>	<u>Project</u>
xx	xxxx	xxxx	xxx	xxxx

B. Expenditure Codes-Generic Configuration:

<u>Fund</u>	<u>Facility</u>	<u>Function</u>	<u>Program</u>	<u>Project</u>	<u>Object</u>
xx	xxxx	xxxx	xxx	xxxx	xxx

C. Code Summaries:

1. Fund –xx

10-General Fund-All special education expenditures must be recorded in the general fund.

2. Facility-xxxx

0000-0999 District Wide  
 1000-1999 Elementary  
 2000-2999 Middle School  
 3000-3999 Secondary  
     31xx Junior High  
     32xx Senior High  
     39xx Other Secondary

3. Source-xxxx

1310-1319 Tuition from Individuals  
 1320-1329 Tuition from other LEAs/AEAs within the State  
     1322 Special Education Program not Shared or Open Enrolled  
     1324 Open Enrollment, Special Ed. Program  
     1326 Tuition from Other AEA  
     132x7-1329 Unassigned  
 1330-1339 Tuition from other LEAs outside the State  
 1330-1340 Tuition from other sources (1343 Tuition from adult and continuing education)  
 1350 Tuition from summer school

4. Function-xxxx

1200-1299 Special Program Instruction

5. Program-xxx

200-299 Special Programs  
     200 Special Education  
     201 Adaptive PE (AEA)  
     202 Early Childhood (AEA)  
     203 Hospital/homebound (AEA)  
     204-209 Unassigned  
     210 Multi-categorical  
     211 Mental Disability  
     212 Severe/Profound  
     213-219 Unassigned  
     221 Hearing Disability  
     222 Unassigned  
     223 Autism



- 224 Vision Disability
- 225 Communication Disability
- 226 Physical Disability
- 227 Head Injury
- 228-229 Unassigned
- 230 Behavioral Disability
- 240 Learning Disability
- 248 Non-categorical
- 249 RSDS Intervention Plan

6. Project-xxxx

- 3290 Special Education Weighting
- 3291 Supplemental Assistance (1.x)
- 3292 Resource Teaching Program (1.x)
- 3293 Special Class with Integration (1.x)
- 3294 Self-Contained Special Class with Little Integration (2.x)
- 3295 Preschool Handicapped (2.x)
- 3296 Preschool Handicapped (3.x)
- 3297 Self-Contained Special Class (3.x)
- 3298 Supplemental Assistance (2.x)
- 3299 Supplemental Assistance (3.x)
- 3300 Special Education Weightings by Level
- 3301 Level I
- 3302 Level II
- 3303 Level III

7. Object-xxx (See Appendix\_\_\_\_\_ for a complete list of objects or refer Iowa Dept of Education Manual "Uniform Financial Accounting for Iowa LEAs and AEAs")

- 100-199 Personal Services-Salaries
- 200-299 Personal Services-Employee Benefits
- 300-399 Purchased Professional and Technical Services
- 400-499 Purchased Property Services
- 500-599 Other Purchased Services
- 600-699 Supplies
- 700-799 Property
- 800-899 Other Objects
- 900-999 Other Uses of Funds (government funds only)

For further information on code structure, see the Iowa Department of Education web site at [www.state.ia.us/educate/publications/ua](http://www.state.ia.us/educate/publications/ua) manual.pdf.

## SPECIAL EDUCATION TRANSPORTATION COSTS

The basic concept is to allocate special education's share of all actual transportation costs to the programs or levels where students are being served.

1. The key tool in achieving the above objective is the use of the Department of Education's ANNUAL TRANSPORTATION REPORT for the school year in which you are reporting.
2. The report gives you the cost per mile for route and non-route miles to include special education miles for those students who need specialized transportation. This need is determined by the student's IEP team and must be on the student's IEP.
3. With the cost per mile figure above, the total bus route miles driven for special education are then multiplied by the total cost per mile.
4. The total cost for transportation for each program or level can be allocated on a percentage basis by taking the student lists for the special education routes and adding up the total students served on the routes and summarizing the students served by the total in each program or level. If a bus is transporting a mix of special and regular education students, costs should be calculated using the percentage of special education students. Example – A lift bus carries 5 special education students whose IEPs require specialized transportation and it also carries 3 siblings of these special education students who do not require any specialized transportation. The cost of the transporting should be  $\frac{5}{8}$  or 63% charged to special education and  $\frac{3}{8}$  or 37% charged to regular education.
5. The individual percentage of the entire number of students served is then multiplied by the total cost of special education transportation and the dollars for each program model or level are then allocated on the Special Education Supplement (SES).
6. One other cost item that needs to be allocated is the purchase cost of a new bus that is used exclusively to transport special education students. The state transportation report does not include the purchase price of new vehicles. Only depreciation costs to include new vehicles purchased during the school year you are reporting are in the annual transportation report. See the 5/88 memo from Terry Voy on vehicle depreciation that follows. One important point to remember: only vehicles purchased using general or operating fund dollars can be allocated to the cost of special education programs. PPEL fund purchases cannot be allocated to special education costs in the SES.
7. The purchased cost or depreciated purchase cost of the vehicle should be allocated by the percentage of each program model or level served. Use the number of students in each program model or level transported on the route to allocate the cost of the vehicle purchased.
8. If there is an individual bus aide for one student (must be on IEP), the salaries and costs for that aide should be reported as a transportation cost in the program model or level designated on the student's IEP.

VEHICLE DEPRECIATION RATES FOR SCHOOL TRANSPORTATION EQUIPMENT  
(INCLUDING SPECIAL EDUCATION VEHICLES)

Depreciation should be calculated on the following basis:

- (a) **New (yellow) School Buses** – 1/7 of the original net cost of the school bus. (Do not include depreciation cost for any bus that is older than seven (7) years.)
- (b) **Used or Refurbished (yellow) School Buses** – (costing greater than \$10,000) 1/3 of the cost of any used or refurbished vehicle. (May depreciate for 3 years only.)
- (c) **New (non-yellow) Automobiles, Wagons, and Vans** – ¼ of the original net cost for any new vehicle (or current model demonstrator carrying new vehicle factory warranty) with a manufacturer's rated capacity of 9 or fewer passengers, used exclusively in the transportation of students to and from school (including special education programs) or extracurricular activities.
- (d) **New (non-yellow) Maintenance/Service Vehicles** – ¼ of the original net cost of vehicles used exclusively in the maintenance/service of the school transportation program, i.e. wreckers, pickup trucks, etc. (Do not include depreciation costs for vehicles older than four (4) model years.)

Note: Vehicles in this category having a shared usage with other school programs (i.e. school food, mail shuttle, grounds, etc.) depreciate only that percentage of the vehicle's new cost which represent its use for school transportation purposes.

- (e) **All Other Vehicle Purchases** – Include the total cost of any vehicle which does not fit into categories (a) – (d) above.

For more information contact:

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## RESIDENT STUDENT EXPENDITURES

The objective in calculating special education costs is to arrive at the cost to your district of providing special education services to your resident students. This will serve as the basis to use in calculating your cost per day of providing each special education program. See the example of the special education billing in the forms section. In short, Resident Student Expenditures equal:

Total Special Education Expenditures from the General Ledger  
minus: Special Education Tuition Payments received from others

## BALANCE OF FUNDS CALCULATION

The objective of the balance of funds calculation is to determine your district's special education surplus or deficit. It is calculated on your district's resident students only. This occurs because if your district has any special education tuition-in students, when you invoice the resident district, you are in essence removing the "non-resident" special education expenditures. Thus, your special education expenditures from the general ledger minus special education tuition payments received equals your resident students expenditures. Another way to calculate the Special Education Surplus or Deficit is as follows:

Total Special Education Revenues from the State  
minus: General Program Expenditures  
plus: Special Education Tuition Payments Received  
equals: Total Special Education Revenue  
minus: Special Education Expenditures from the General Ledger  
equals: Balance of Funds (Special Education Surplus or Deficit)

## Forms

Special Education Children Placed By District Court Under The Provisions of Section 282.29, The Code. Claim against the State of Iowa (See D. Other Agencies, DHS #3 in this manual.)

Special Education Children Living in Foster Care Facility As Defined By Section 282.19, The Code. Claim against the State of Iowa (See D. Other Agencies, DHS #2 in this manual.)

Public School Services Provided To Children Attending Nonpublic Schools as Defined by Section 256.12, The Code. Claim against the State of Iowa (See D. Other Agencies, Nonpublic Schools in this manual.)

The Special Education Supplement is not included in this section due to its size.

Form A from the Special Education Supplement – This form must be completed and submitted with the SES. It has two questions whose answers will assist in the completion of the desk review of the SES.

## **Worksheets and Template**

General Program Expenditures Worksheet (included in Special Education Supplement)

Worksheet A – Used to calculate general program expenditures per pupil cost by either rules-based program models or levels.

Worksheet B – Used to calculate general program expenditures amounts to be reported on row 11 of section 18 or 19 in the Special Education Supplement.

Worksheet C - Used to recalculate student numbers for column 2 of worksheet B when a district is in a whole grade sharing agreement.

Worksheet for Calculating Weights for Section 16 of the Special Education Supplement

This worksheet is included in the Special Education Supplement ICN training packet in the spring.

Tuition Billing Models – Sent to districts as requested

Rules-Based Program Models

Approved District Developed Delivery System

Worksheets for Reconfiguring Student Count in Section 16 of the Special Education

Supplement – These worksheets are included in the Special Education Supplement ICN training packet sent to each district in the spring.

Child Count Worksheet – Used to assist school business officials when preparing their student counts for Sections 1, 2, 12, and 13 of the Special Education Supplement.

It should be used with the December count for the reporting school year. It is sent to all districts prior to the end of the school year.

Template for Letter Requesting Allowable Growth and Supplemental Aid Payment from the SBRC. This request must be made by districts which have a negative special education balance on their Special Education Supplement. This template will be included with the Special Education Supplement.

## Reporting

### **Special Education Children Placed by District Court Under the Provisions of Section 282.29, The Code. Claim against the State of Iowa**

When due:	August 1 <sup>st</sup> each year
Who can file:	LEAs that have students for whom the parental rights have been terminated.
What can be claimed:	The actual costs plus general program expenditures from the date of parental rights termination
Who signs form:	Superintendent AEA Special Education Director

### **Special Education Children Living in Foster Care Facility as Defined by Section 282.19, The Code. Claim against the State of Iowa**

When due:	August 1 <sup>st</sup> each year
Who can file:	LEAs that have students who are living in foster care facilities located in another district and whose special education services are being provided by another district, whose parents cannot be located and the child was not counted on any district's prior year's December Count. LEAs that provide special education services to students who are living in foster care facilities located in their district, whose parents cannot be located and the child was not counted on any district's prior year's December Count.
What can be claimed:	The actual costs plus general program expenditures for the number of school days that the child was living in the foster care facility and attending school.
Who signs form:	Superintendent

### **Public School Services Provided to Children Attending Nonpublic Schools as Defined by Section 256.12, The Code. Claim against the State of Iowa**

When due:	August 1 <sup>st</sup> each year
Who can file:	LEAs who provide services (such as assistance with physical and communication needs of students with physical disabilities and services of an educational interpreter) to children attending nonpublic schools.
What can be claimed:	The difference between the amount generated by the weighting for the provision of services to this nonpublic school student and the amount of the actual costs as reflected in the local school district's accounting.
Who signs form:	Superintendent AEA Special Education Director

**Special Education Supplement to the Certified Annual Report**

When due:	September 15 <sup>th</sup> each year
Who files:	Every public school district in the state of Iowa according to Iowa Code – 291.10
What is it:	An annual accounting by each district of the number of special education students served in the district and how special education dollars were expended for district special education programs and for resident students receiving special education services from another agency.